

TELECOMMUNICATIONS DISCOUNT

BENEFIT TO UNIVERSITY OF TEXAS SYSTEM INSTITUTIONS

Reliable, efficient and cost-effective data, video and voice communications are critical to the strategic missions of education, research, health care, and public service.

The University of Texas System institutions spend approximately \$4.9 million a year on infrastructure services acquired using the telecommunications discount. If national and state tariffs were used to acquire these services, the estimated cost would increase by more than five times to an estimated \$27.5 million a year.

Annual Telecommunications Discount Savings by Institution

The telecommunications discount statute guarantees a profit margin to the provider of 5% or 10% of long-run incremental costs. At the same time, it provides substantial savings to the affected institutions;

• The University of Texas at Arlington	\$2,163,414
• The University of Texas at Austin	\$1,578,721
• The University of Texas at Brownsville	\$696,921
• The University of Texas at Dallas	\$1,426,283
• The University of Texas at El Paso	\$241,239
• The University of Texas Pan American	\$421,419
• The University of Texas Permian Basin	\$1,080,920
• The University of Texas at San Antonio	\$901,403
• The University of Texas at Tyler	\$559,614
• University of Texas Southwestern Medical Center	\$1,278,056
• University of Texas Medical Branch at Galveston	\$2,215,939
• UT Health – U. T. Health Science Center at Houston	\$1,146,390
• University of Texas Health Science Center at San Antonio	\$3,096,764
• University of Texas M.D. Anderson Cancer Center	\$5,107,694
• University of Texas Health Science Center at Tyler	<u>\$709,698</u>
	\$22,624,475

The telecommunications discount allows University of Texas System institutions to save over \$22.6 million a year.

Loss of affordable high bandwidth communications would impair the ability of The University of Texas System institutions to fulfill their many and varied missions.